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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:

CFLI APPLICATION NO.: 60DBO-73317

THE COMMISSIONER OF BUSINESS  
OVERSIGHT,

STATEMENT OF ISSUES IN SUPPORT OF  
ORDER DENYING CALIFORNIA FINANCE  
LENDER LICENSE APPLICATION

Complainant,

v.

LUMEN SOLUTIONS, INC., a California  
corporation,

Respondent.

The Commissioner of Business Oversight (Commissioner) alleges and charges Respondent  
Lumen Solutions, Inc. as follows:

**I.**

**Background**

1. Lumen Solutions, Inc. (Lumen) is a California corporation formed on May 31, 2013,  
with a registered place of business at 1419 North Freeman Street, Santa Ana, California 92706.

2. Victor Melgoza Gallardo is Chief Executive Officer and one-hundred percent (100%)

owner of Lumen. Gallardo is also the Designated Officer for Lumen with the Bureau of Real Estate (BRE), and holds a BRE broker license.

3. The Commissioner is authorized to administer and enforce the provisions of the California Finance Lenders Law (CFL) (Financial Code § 22000, et seq.) and the regulations thereunder at California Code of Regulations, title 10.

4. Pursuant to section Financial Code section 22109(a)(3), the Commissioner may deny the application for a finance lender or broker license where, among other provisions, the applicant has violated any provision of the CFL or similar regulatory scheme of the State of California.

5. On June 29, 2017, Gallardo, on behalf of Lumen, filed an application for a CFL license with the Commissioner.

6. This Statement of Issues is submitted in support of the Commissioner's Notice of Intention to deny Lumen's CFL license application pursuant to Financial Code section 22019(a)(3) on the grounds that Gallardo has, as the person owning or controlling, directly or indirectly, ten percent (10%) or more of the outstanding interests or equity securities of Lumen, violated provisions of a similar regulatory scheme of the State of California.

## II.

### **CFL License Application**

7. On or about June 29, 2017, Lumen filed an application for a finance lending license with the Commissioner and, as required for the application, submitted a Form MU1 and Form MU2 through the Nationwide Mortgage Licensing System (NMLS). Under the "Direct Owners and Executive Officers" section of the MU1, the application identified Victor Gallardo as the one-hundred percent owner of Lumen. Review of Gallardo's MU2 on NMLS revealed that Gallardo previously held a Mortgage Lender Originator (MLO) endorsement for his BRE broker license, which expired on January 1, 2015, and held a MLO endorsement for his BRE salesperson license, which expired on January 1, 2013. Both MLO license endorsements were classified by the BRE as "restricted" prior to expiration.

8. The "restricted" classifications for Victor Gallardo's MLO endorsements were the result of two administrative proceedings before the Department of Real Estate, Case No. H-37542

1 and Case No. H-39026. The Statement of Issues in Case No. H-37542, filed on September 20, 2011,  
2 alleged two bases for denial of Gallardo's requested application for a MLO license endorsement: (1)  
3 in 1995, in the Superior Court of the State of California for the County of Orange, Case No.  
4 95CF2663, Gallardo was convicted of violating California Vehicle Code section 10851(a) (unlawful  
5 taking of a vehicle) and section 496(a) (receiving stolen property), both felonies involving fraud,  
6 dishonesty, a breach of trust, or money laundering; and (2) in response to question 8(D)(1) of the  
7 BRE MLO license endorsement application, "Have you ever been convicted or pled guilty or nolo  
8 contendre ("no contest") in a domestic, foreign or military court to any felony?", Gallardo failed to  
9 reveal the prior felony criminal convictions described above.

10 9. On July 10, 2012, a Stipulation and Waiver in Case No. H-37542 was filed before the  
11 Department of Real Estate, executed by Victor Melgoza Gallardo, in which Gallardo admitted that  
12 the allegations in the BRE Statement of Issues filed against him were true.

### 13 III.

#### 14 Applicable Law

15 10. Financial Code section 22109, subdivision (a), provides, in pertinent part:

16 Upon reasonable notice and opportunity to be heard, the commissioner may deny the  
17 application for a finance lender or broker license for any of the following reasons:

18 ...  
19 (3) The applicant or an officer, director, general partner, person responsible for the  
20 applicant's lending activities in this state, or person owning or controlling, directly or  
21 indirectly, 10 percent or more of the outstanding interests or equity securities of the  
22 applicant has violated any provision of this division or the rules thereunder or any  
23 similar regulatory scheme of the State of California or a foreign jurisdiction.

24 11. The BRE found that Gallardo's felony criminal convictions, and his failure to disclose  
25 the convictions in the MLO endorsement application process, violated their consumer protection  
26 regulatory scheme. Accordingly, under Financial Code section 22019, subdivision (a), Gallardo  
27 violated a similar consumer protection regulatory scheme of the state of California.

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**IV.****Conclusion**

The Commissioner finds, due to the foregoing, that there are grounds under Financial Code section 22109, subdivision (a), to deny the issuance of a finance lender license to Respondent Lumen Solutions, Inc.

WHEREFORE, the Commissioner prays that the application for a finance lender license filed on June 29, 2017, by Respondent Lumen Solutions, Inc., by and through its one-hundred percent owner Victor Melgoza Gallardo, be denied.

Dated: October 23, 2017

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
Robert R. Lux  
Senior Counsel  
Enforcement Division